

INTERNATIONAL VALUE FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWNIX



PERFORMANCE (%) as of December 31, 2024

	QTR	YTD	1 Yr	3 Yr	5 Yr	Since 12/31/15
International Value Fund – I Shares	-5.73	5.77	5.77	7.14	7.24	6.86
MSCI World ex-USA Value Index	-6.55	6.65	6.65	6.04	5.50	5.99
MSCI World ex-USA Index	-7.43	4.70	4.70	1.91	5.10	6.23

The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. To obtain performance data current to the most recent month-end, access our website at www.hwcm.com.

The Fund's total annual operating gross expense ratio as of the most current prospectus is 4.57% for I Shares; 0.95% net expense ratio. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through August 29, 2025. Expense ratio shown is gross of any fee waivers or expense reimbursements. I Shares sold to a limited group of investors. Periods over one year are average annual total return. Average annual total returns include reinvestment of dividends and capital gains. Expense limitations may have increased the Fund's total return.

MARKET COMMENTARY

The MSCI World ex-USA Index declined -7.4% in the fourth quarter of 2024, finishing calendar year 2024 with a modest return of +4.7%. Value declined less than growth in the quarter -6.6% vs. -8.3%). All eleven index GICS (Global Industry Classification Standard) sectors declined during the quarter, with materials, real estate, healthcare, and utilities experiencing the steepest losses.

Political instability in Europe and threats of global trade impediments appeared to weigh on international equity markets. In local currency, the index was close to flat in the quarter, but the US Dollar strengthened relative to other major currencies. The US Dollar Index, which averages exchange rates between the US Dollar and a basket of major world currencies, rose nearly 8% in the fourth quarter. Unlike the US equity market, performance deviations by market cap and by style (growth/value) were modest outside the US.

In terms of economic growth, the eurozone remained weak, with the European Central Bank revising its 2025 growth forecast downward to 1.1% from the previous expectation of 1.3%. Meanwhile, economic growth in the UK has essentially stalled, with Q3 2024 growth at just 0.1%, following a downward revision of Q2 growth to 0.4%. Although not a major benchmark weight, it is worth noting that China's stock market outperformed as the People's Bank of China announced fresh domestic policy support and signaled the potential for looser monetary policy to address challenges to economic growth.

We made very minor changes to individual positions during the quarter, with more buying than selling taking place. Technology remains the largest overweight sector in our

portfolio. We view the businesses in our portfolio as less cyclical than generally perceived and as offering attractive diversification to complement other cyclical positions. We remain confident in our technology holdings' ability to drive economic growth and deliver strong returns.

Select aerospace & defense and industrial conglomerate holdings contribute to making industrials our second-largest overweight sector. Consumer discretionary is our third-largest overweight sector, driven by hotels, restaurants and leisure exposure. Our largest sector underweights are financials, real estate, and utilities. We are generally underweight in real estate and utilities due to limited attractive relative valuation opportunities. Meanwhile, our financials underweight reflects lower exposure to insurance, banks, and capital markets companies as of the end of December.

While economic growth overseas has been challenged in recent quarters, we believe valuation disparities across the market create an investment environment highly conducive to long-term focused active management, particularly in relative terms. The spread between the growth and value indices is wide, suggesting a promising outlook for value. The spread between the portfolio and the value index is also wide, suggesting a promising outlook for the portfolio. In our opinion, the portfolio's valuation advantage relative to the benchmark, combined with good underlying businesses and healthy balance sheets leaves us confident about the portfolio's prospects, particularly compared to passive alternatives.

(continued)

Portfolio managers' opinions and data included in this commentary are as of December 31, 2024 and are subject to change without notice. Any forecasts made cannot be guaranteed. **Diversification does not assure a profit nor protect against loss in a declining market. Past performance is no guarantee of future results.**

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ATTRIBUTION ANALYSIS – 4Q24 & 2024

The Hotchkis & Wiley International Value Fund outperformed the MSCI World ex-USA Value Index in the fourth quarter of 2024. Stock selection in industrials was the largest positive contributor to relative performance. Stock selection in technology also worked well, as did the underweight positions in utilities and real estate. Conversely, the underweight in financials detracted from relative performance in the period. Stock selection and the overweight in consumer staples detracted, as did stock selection in healthcare and materials.

The Fund underperformed the benchmark over calendar year 2024. The underweight in financials detracted the most from relative performance for the year. Stock selection in consumer staples, consumer discretionary, communication services, and energy also detracted. Conversely, stock selection in industrials worked well in 2024. The underweight positions in utilities, real estate, and materials also worked well, as did stock selection in financials.

LARGEST INDIVIDUAL CONTRIBUTORS – 4Q24

Ericsson (ERIC) is a large vendor of hardware and software needed to operate wireless networks. Ericsson's stock outperformed as reported results were modestly stronger than consensus as it gains market share and the North American market is showing signs of recovering from a cyclical downturn.

Banca Monte Dei Paschi di Siena (BMPS IM) is one of the largest banks in Italy. In addition to traditional deposit gathering and lending activities, BMPS has a wealth management business which generates ~15% of the bank's revenue. The company's shares jumped ~30% over the quarter after the Italian government cut its stake in the bank. The company now finds itself with substantial excess capital. While the market remains worried about the risk to Italian bank's NII from a reduction in short-term rates, we believe that BMPS should generate reasonable normal profitability with short-term rates of 1.5% or greater.

Accor (AC FP) is one of the largest branded hotel companies outside of the US. Shares continued their strong performance in the fourth quarter, driven by sell-side upgrades and continued recovery of system occupancy and margins to LT averages.

LARGEST INDIVIDUAL DETRACTORS – 4Q24

Nippon Sanso (4091 JP) is one of the world's largest industrial gas companies. The stock, which already traded at an unsubstantiated discount to its peers, declined in the fourth quarter as investors digested mixed earnings results. Healthy earnings growth, thoughtful capital allocation, and a narrowing of the valuation gap to the majors should drive outperformance over the long-term.

Samsung (005930 KS) is a diversified technology company with leading positions in semiconductors, display panels, mobile phones, consumer electronics, and appliances. Samsung's stock price declined in Q4 due to several factors, including weakening demand for consumer electronics, continued challenges in the semiconductor industry, and supply chain disruptions. As the largest company in the three-player DRAM (dynamic random-access memory) oligopoly with 43% market share, we believe Samsung is well positioned as DRAM demand is expected to grow high-single-digits over time, driven by growth in AI, cloud computing, and internet connected devices.

Heineken (HEIO NA) is one of the world's largest brewing companies. The company's shares have been weak due to earnings headwinds that we believe will be temporary. Heineken's valuation has come down meaningfully over the past year and we think that the stock is a compelling investment today.

Mutual fund investing involves risk. Principal loss is possible.
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You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. This and other important information is contained in the Fund's summary prospectus and prospectus, which can be obtained by calling 1-800-796-5606 or visiting our website at www.hwcm.com. Read carefully before you invest.

The Fund may invest in foreign and emerging markets securities, which subjects the Fund to increased risk. Please read the fund prospectus for a full list of fund risks. All investments contain risk and may lose value. Equities, bonds, and other asset classes have different risk profiles, which should be considered when investing.

Fund holdings and/or sector allocations are subject to change and are not buy/sell recommendations. Current and future portfolio holdings are subject to risk. Specific securities identified are the largest contributors (or detractors) on a relative basis to the MSCI World ex-USA Index. Securities' absolute performance may reflect different results. The Fund may not continue to hold the securities mentioned and the Advisor has no obligation to disclose purchases or sales of these securities. Attribution is an analysis of the portfolio's return relative to a selected benchmark, is calculated using daily holding information and does not reflect the payment of transaction costs, fees and expenses of the Fund.

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The MSCI World ex-USA Index is a free float-adjusted weighted index capturing large and mid cap stocks. The MSCI World ex-USA Value and MSCI World ex-USA Growth Indices are free float-adjusted weighted indices capturing large and mid cap stocks, exhibiting overall value or growth style characteristics, respectively. The MSCI indices represent stocks across 22 of 23 Developed Markets (DM) countries, excluding the United States and include reinvestment of dividends, net foreign withholding taxes. The Fund's value disciplines may prevent or restrict investment in major stocks in the benchmark indices. It is not possible to invest directly in an index.

A value-oriented investment approach involves the risk that value stocks may remain undervalued or may not appreciate in value as anticipated. Value stocks can perform differently from the market as a whole or from other types of stocks and may be out of favor with investors and underperform growth stocks for varying periods of time.

Top ten holdings as of 12/31/24 as a % of the Fund's net assets: Ericsson 5.1%, Siemens AG 4.3%, Accor SA 3.4%, Babcock Int'l Grp PLC 3.3%, Henkel AG & Co. KGaA 3.2%, Airbus SE 3.1%, Heineken Hldg N.V. 3.0%, WPP PLC (ADR) 2.9%, Lloyds Banking Group PLC 2.8%, and Qantas Airways Ltd. 2.7%.

Certain information presented based on proprietary or third-party estimates are subject to change and cannot be guaranteed. Information obtained from independent sources is considered reliable, but H&W cannot guarantee its accuracy or completeness.

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